GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2123
ANSWERED ON:06.05.2016
Pension Funds
Sahu Shri Chandu Lal

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has considered use of huge reservoirs of pension funds for long term funding like infrastructure, social sector projects;
(b) if so, the details thereof; and
(c) if not, the methods which the Government has deliberated to improve funding in development oriented projects in India?

Answer

The Minister of State in the Ministry of Finance

(a) to (c): The Ministry of Labour and Employment, vide Gazette Notification dated 23rd April, 2015, has issued the investment pattern to be followed by Employees' Pension Fund. Further, the Pension Fund Regulatory and Development Authority has issued Investment Guidelines on 3rd June, 2015, and 2nd September, 2015, for National Pension System. The said investment pattern / guidelines, inter-alia, permit investment in infrastructure related debt instruments, as per details given below:

(i) Listed (or proposed to be listed in case of fresh issue) debt securities issued by body corporates engaged mainly in the business of development or operation and maintenance of infrastructure, or development, construction or finance of low cost housing.
(ii) Infrastructure and affordable housing Bonds issued by any scheduled commercial bank, which meets the conditions specified in investment guidelines.
(iii) Listed (or proposed to be listed in case of fresh issue) securities issued by Infrastructure debt funds operating as a Non-Banking Financial Company and regulated by Reserve Bank of India.
(iv) Listed (or proposed to be listed in case of fresh issue) units issued by Infrastructure Debt Funds operating as a Mutual Fund and regulated by Securities and Exchange Board of India.

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